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Palestinian Authority Capacity Enhancement Project

Quarterly Report: July 1, 2012 through September 30, 2012

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Acronyms

COE	Centers of Excellence
GPC	General Personnel Council
MOF	Ministry of Finance
MOPWH	Ministry of Public Works and Housing
MOI	Ministry of Interior
MTIT	Ministry of Telecommunications and Information Technology
MOT	Ministry of Transportation
NSC	National Steering Committee
PA	Palestinian Authority

Executive Summary

USAID launched the \$20 million, 3-year, Palestinian Authority Capacity Enhancement (PACE) project in September 2008 to support Prime Minister Dr. Salam Fayyad's drive to build responsive and effective government institutions. The project's goal is to improve the quality of services provided by select government institutions to citizens through facility renovations and IT upgrades, while building the administrative and management capacity of these same institutions through capacity building and implementation of the Centers of Excellence effective governance and reform program. By year three, the project resulted in a 14% increase in citizen satisfaction at targeted locations and supported more than 60 reforms within partner ministries, in addition to other achievements.

In its third year, the project received a costed-extension of \$9.2 million to March 31, 2013. The project leveraged the additional resources and time to achieve continued increases in citizen satisfaction and further cement institutional development and capacity building within select Palestinian Authority (PA) institutions. The project continued working with the core five ministries – Ministry of Finance (MOF), Ministry of Transportation (MOT), Ministry of Public Works and Housing (MOPWH), Ministry of Telecommunications and Information Technology (MTIT), and Ministry of Interior (MOI) Civil Affairs Directorate—and, with the approval of USAID, also launched limited activities with the General Personnel Council (GPC).



Computer labs, like the one pictured above in Tulkarem, were installed in 7 additional locations to allow for driver's licenses e-testing. With the computers, testing can occur more often, with immediate results, reduced time commitments from employees, and fewer opportunities for corruption.

The project's achievements this year include a 21.4% increase in citizen satisfaction at targeted locations across four ministries providing direct services to citizens, the launch of 17 new reform initiatives and the identification of 100 more, and the reopening of 2 renovated and refurbished citizen service centers with work started at another 12 sites. This year also saw the full adoption of the Centers of Excellence program by the PA and its rollout at a new institution. The project anticipates additional increases in citizen satisfaction and improvements in government services in the coming months because of these and other ongoing activities.

Other activities supported by the project this year include:

- procurement training to promote better management of public resources and reduce opportunities for corruption at the Ministry of Public Works and Housing;
- development of a business plan for Palestine Post that offers a guide to financial sustainability;
- establishment of a Complaints Unit at the MOI Civil Affairs directorate to provide a venue for citizens with grievances and issues;
- implementation of quality management systems at partner institutions to reduce inefficiencies and waste and increase citizen satisfaction and consistency in service delivery;
- and renovations and IT upgrades at multiple Licensing Bureaus, in addition to other facility improvements, across the West Bank to allow for fully automated driver's license testing.

1.0 Quarterly and Annual Highlights

The project implemented the majority of an 18-month work plan (September 2011-March 2012) during this reporting period. While some delays were experienced during the first quarters of the year due to funding challenges, the project accelerated implementation during the second half of the year and reached important milestones. The momentum gained will allow for the complete execution of the 18-month work plan by the end of the project. This report includes quarterly and annual achievements, a year-end PMP summary, and a summary of financial performance.

PA Employees Lead Effective Governance



Centers of Excellence team leader Nael Zidan discusses the self-assessment process and proposed reforms to an audience that included the Minister, Deputy Minister, and numerous director generals from the Ministry of Public Works and Housing.

The Centers of Excellence (COE) program continued to receive PA buy-in and support as a tool for achieving institutional development based on sustainability plans approved by ministries at the end of FY2011 and under the leadership of the National Steering Committee (NSC) for the COE program. Ministers recommitted to governance excellence by participating in various workshops, while team members from earlier COE teams demonstrated their support by serving as resources for the new teams. This deep buy-in displayed by both PA leadership and mid-level civil servants, and the availability of internal resources provided further evidence of the sustainability of the program.

The USAID-supported COE program is a sustainable approach to governance reform and strengthening that six PA institutions have adopted. In each institution, teams of 30 or more civil servants take part in an orientation and training program on international best practices in governance with an emphasis on citizen satisfaction. The teams then identify institutional weaknesses through comprehensive assessments that involve all rank-and-file staff and design and implement reforms that address identified gaps. The first round was completed in September 2011 and resulted in the implementation of more than 60 reforms in five ministries.

This year, the ministries continued the COE program with limited support from the project. The foundation established with extensive backing in the initial phase allowed for accelerated implementation by involving previously project-trained ministry employees to support the new team members. In about half the time, teams completed orientation and training, self-assessments, and the development of reforms. At some partner ministries, reforms have already been approved, while others are in the final review process by ministry leadership. In parallel, reforms from the previous and current COE phases were implemented by ministry teams with various levels of project support.

Citizens Find Venue for Complaints

When visiting a Ministry of Interior Civil Affairs directorate office, citizens are now welcomed by a poster introducing the newly established Complaints Unit. The poster includes the mission of the unit to receive, analyze, and respond to citizens and the different ways to provide feedback regarding the services provided, which include birth and death certificates, passports, and national IDs. To date, the unit has responded to numerous complaints ranging from employee attitudes and facility cleanliness to larger legal matters. The unit has already acted on a number of reoccurring

complaints regarding facility cleanliness and availability of official stationary by launching a spot check program. In addition, legal issues related to passports and national IDs have been resolved through the unit. For example, the unit helped one resident resolve a problem related to a forged passport.

The need for a central unit was identified during the COE self-assessment process as a potential reform that would allow for increased citizen satisfaction. Prior to the unit, citizens were not able to complain about services delivered by the directorate and only citizens with personal connections were able to resolve larger legal issues. The directorate dedicated office space and then designated a coordinator at each of the 24 facilities across the West Bank. The project then provided training, IT systems, operating manuals, and marketing materials. Glass boxes were installed in each office for citizens to drop complaint forms in. Brochures were also made available. Once the unit was established and operating, a ministry event was held and covered by local press. The ministry invited the project to the event and thanked USAID for its continued assistance.



Abdel Nasser Al-Serafi, pictured above, oversaw the establishment of the Complaints Unit and now serves as its head. Behind him are posters that are now available in all Civil Affairs offices that advertise the unit's mission and different ways for citizens to submit complaints.

The establishment of the unit is one of many COE successes and demonstrates the directorate's new focus on citizen satisfaction as it relates to service delivery and responsiveness. Other partner ministries have expressed interest in establishing similar units after learning of its success.

Partners Assess Project Impact

Ministries identified citizen satisfaction as a key indicator for overall ministry performance. This is also a key project performance indicator. To build the capacity of the ministries to measure this indicator and collect the needed data, the project implemented an innovative approach. Instead of working through a local company or organization, partner ministries appointed teams that received training in monitoring and evaluation (M&E) and conducted the surveying with on-the-job training and coaching from a project expert. The activity was successfully completed this quarter and the data was incorporated into the project's PMP. The approach also allowed for the development of a shared objective between the project and partners that is measurable, practical, and relevant. The ministry plans to use the results for strategic and annual action planning. Thirty-one ministry employees led the activity with additional data collection support provided by employees at directorate offices.

The results of this year's citizen satisfaction survey were overwhelmingly positive. The survey measured a 21.4% increase across targeted office at four partner ministries (Transport, Finance, Telecommunication and Information Technology, and Interior). Customer satisfaction is an aggregate indicator composed of responses to a number of questions gauging citizen impressions of office staff, physical location, signage and information, and other topics. Improvements at locations that received extensive project assistance through renovations and refurbishments were also apparent in the data. For example, at targeted MOT licensing bureaus and a post office, citizen satisfaction was up by 40% and 30.4% respectively. MOI Civil Affairs Directorate posted more

modest gains of 18.8%, while the MOF saw a slight drop in customer satisfaction (by 2.1%), most likely as a result of substantially increased fees for services, increased income taxes, and increased property taxes as a result of re-assessments.

The surveys were a significant success and participants expressed confidence in their ability to sustain the activity and also expand ministry surveying into other areas. The activity is also very symbolic of the project's approach to achieve sustainable results: capacity building, leading from behind, and on-the-job training that empowers and builds ownership among stakeholders.

The project anticipates further increases in citizen satisfaction as planned activities are implemented in the remaining six months.

2.0 Challenges and Responses

The West Bank witnessed civil unrest during this reporting period due to cost of living increases and the ongoing PA financial crisis that resulted in protests and some strikes by private- and public-sector workers. In addition, a cabinet reshuffle brought new faces into leadership posts at four of five partner ministries. While these are all real threats to implementation, the project's "ground-up" approach to government reform and relevant initiatives designed to respond to ministry needs created an internal demand for continued programming, regardless of leadership changes. This buy-in and partnership allowed the project to complete all major work and reach important milestones during the reporting period.

In addition to challenges faced due to the local political environment, the project also grappled with funding issues caused by a delay in receiving obligated funds during the first quarter of the fiscal year. As a result, the project was forced to limit some activities, not start others, and implement the first stages of a close-out plan. The plan included a phased draw down in staffing, although immediate cuts in other direct costs like cars, moving the chief of party off the project books for a few weeks, and other costs saving measures meant that PACE was able to retain nearly all of its key long-term staff until near the end of December, allowing them to be immediately re-hired upon receipt of \$2.0 million of obligated funds at the end of December. This obligation allowed the project to re-start operations in January, but with much less funds than the \$9.8 million originally expected for FY2011. The project subsequently received an additional \$5.8 million in obligated funds during April 2012. USAID's flexibility during this difficult period was vital to ensuring a quick restart of project activities.

The changing levels of obligation created challenges for the implementation of activities. Between October and December 2011, PACE concentrated limited resources in completing outstanding tasks and establishing the COE program on a more sustainable footing, in anticipation of a possible end to project activities. While PACE hoped to start major refurbishment and other initiatives during this period in line with the extension proposal, it could not start such activities with uncertain funding and project end-date. In restarting project operations in January 2012, the project also had to be cognizant of limited resources and the need to remain flexible, while focusing on areas where it could have maximum impact. PACE focused on 24 targeted results—like procedures writing, improvement, and institutionalization—where it could best leverage ministry resources from

previously trained staff and cost-sharing arrangements. Training ministry teams in good governance was also an area where PACE could leverage previously trained and motivated PA civil servants, delivering impact with minimal resources. At the same time, PACE embarked on one major citizen service office refurbishment, and some smaller office upgrades that offered opportunity for significant impact with minimal resources. The project also prepared plans for both technical and procurement assistance later in the event that additional funds did arrive

After the additional obligation arrived in late April, the project quickly ramped up activities, significantly expanding 12 previous expected results and adding 25 new results to the work plan, including major new technical assistance, training, procurement, and office refurbishment initiatives. The project also launched assistance to three new partners to achieve USAID priorities—the General Personnel Council, Higher Judicial Council (in partnership with the USAID-funded Palestinian Justice Enhancement Program), and the Ministry of Higher Education (in partnership with the USAID-funded Faculty Development Program). With the project’s March 2013 end-date remaining fixed, the PACE team is implementing all of these new and expanded initiatives in just over half of the time that was originally anticipated when the extension period was originally discussed with USAID in August and September 2010.

Throughout, PACE continues to conserve resources and maximize assistance. Cost savings versus the original extension period budget included consolidation of long-term positions and sharing offices and administration and finance staff with the USAID-funded Investment Climate Improvement project. Effective budget management has allowed PACE to maintain or increase the extension period’s level of procurement (including citizen service center improvements) and technical assistance delivered by short and long-term experts, despite having \$2.0 million less than expected in obligated funds. For example, total labor costs expected to be more than \$1 million less than expected during the 18 month extension period, and the cost of support staff and other direct costs like office rent and cars is expected to be more than \$300,000 less than expected. At the same time, the funds devoted to procurements are expected to increase by approximately 4 percent over the amount originally proposed for the extension period.

3.0 Citizen Service Facility Upgrades

The project invested considerable resources into directly improving citizen services this year, reopening five large facilities to the public that were remodeled and fitted with modern IT equipment and conducting small-scale renovations and light IT provisions to other smaller offices that resulted in significant improvements in the quality of services provided. To date, 17 locations are now operating after undergoing extensive renovations and refurbishments by the project.

The project’s approach to citizen center upgrades builds on the model of past facilities that were widely recognized as successes by the project, partners, and citizens. Locations were strategically selected in coordination with partners and USAID based on ministry needs and potential for impact. The project also considered a ministry’s willingness for increased institutional development and progress achieved within the project’s COE program to select facilities. The table below provides a status update on each location targeted under the 2012-2013 work plan.

Status of facility renovations and IT upgrades as of September 30, 2012

Facility	Location	Status
Licensing Bureau	Tulkarem	Completed (in original work plan)
Licensing Bureau	Ramallah	Renovations underway. Expected reopening date is January 2013 (added to work plan)
Licensing Bureau	Six satellite offices	Light renovations completed and computers and servers to allow for e-driver's licensing testing to be installed in October 2012 (added to work plan)
Post Office	Jenin	Renovations underway. Expected reopening date is January 2013 (added to work plan)
Civil Affairs Directorate	Ramallah	Renovation contract under review by USAID. Expected reopening date is January/February 2013 (added to work plan)
Civil Affairs Directorate	Ramallah	Light renovation and IT upgrades to civil affairs office for Gaza residents living in the West Bank. Procurement underway. Expected completion December 2012 (added to work plan)
Civil Affairs Directorate	Nablus	Furniture and IT equipment installed. Expected reopening date is October 2012 pending completion of European Union construction work and scheduling (in original work plan)
Civil Affairs Directorate	Qalqilyah	Design completed and renovation request for proposal released in October 2012. Reopening scheduled for February 2013 (added to work plan)
Civil Affairs Directorate	Yatta, Dura	Light renovations completed. Furniture and IT equipment installed. Formal opening being scheduled for October 2012 pending ministry scheduling (in original work plan)
Public Works and Housing Training Center	Ramallah	IT equipment and furniture provided by the project. Facility fully operational (added to work plan)
Property Tax Department	Ramallah	Safety and security upgrade completed (added to work plan)
Property Tax Department	Bethlehem	Design completed and renovation request for proposal to be released in October 2012. Reopening scheduled for February 2013 (added to work plan)
Higher Court of Justice (Conciliatory Court)	Ramallah	Cost share with USAID's Palestinian Justice Enhancement Project. Request for proposal released and bids under review. Expected reopening date is January 2013 (added to work plan)
Ministry of Higher Education	Ramallah	Design completed and renovation request for proposal to be issued in October 2012. Expected reopening date is December 2012 (added to work plan)

4.0 Ministry and Agency Interventions

4.1 Ministry of Transportation

Result 1. Tulkarem and Ramallah Licensing Bureaus Refurbished and Equipped (expanded, May 2012)



A citizen receiving services at a Licensing Bureau facility renovated with support from USAID in Tulkarem, West Bank.

The ministry hosted an opening ceremony on September 1st, 2012 at the USAID-renovated and refurbished Tulkarem Licensing Bureau. The event was attended by the US Consul General, USAID Mission Director for the West Bank and Gaza, and the Prime Minister of the Palestinian Authority. The officials toured the facility with local press attaches and learned about the IT systems that now allow for electronic driver license testing and the printing of plastic licenses.

In Ramallah, the project launched renovations at the new licensing bureau. The work started after the Property Tax Department staff relocated to a new facility. The facility will undergo extensive work that will significantly impact the quality of services provided by the facility to residents of the Ramallah and El Bireh governorates. The facility is the largest in the West Bank and will house the central car and drive licensing data center, including equipment procured for the ministry earlier in the life of the project. The facility's expected reopening date is January 2013.

The project's work at previously renovated facilities resulted in significant improvements in citizen satisfaction. This year, the ministry recorded a 40 percent increase in overall customer satisfaction from the 2009 baseline at targeted sites.

Result 2. Driver's License Written Tests Automated Across West Bank (added May 2012)

In previous years, the project conducted renovations and refurbishments at Licensing Bureaus in major West Bank cities. As part of the extensive renovations, computer labs were established and IT equipment was installed, which resulted in automated driver's license testing at these facilities. As noted above, the Licensing Bureau in Tulkarem reopened with a computer testing lab this year and the facility in Ramallah is currently under renovation. Also this year, the project completed light renovations to bring automated testing to six more locations. The project also procured the IT systems needed to allow for the automated testing. The equipment will be installed in October 2012.

The project's efforts to rollout automated driver's license testing in the West Bank has led to increases in citizen satisfaction at targeted locations since the start of the project. Automated testing is a factor in this increase because it allows for on-demand testing and immediate results, whereas the previous written system only allowed for periodic testing and citizens were forced to wait days for results. The project anticipates additional increases in citizen satisfaction with the overall performance of the Licensing Bureau once the system is installed at the remaining sites in October 2012.

Result 3. Second Cycle of COE Completed and Selected Transformation Initiatives Implemented (expanded May 2012)

The MOT COE team reached a significant milestone in the effective governance program. After receiving training from the project and previous COE team members, the team completed the self-assessment. The team then analyzed the self-assessment results and identified and prioritized 8 reforms that will strengthen the institutional capacity of the ministry. The COE team is on track to launching a second round of reforms by the end of the project, with ministry leadership sustaining the COE initiative. In addition, some of the reforms identified by the COE team are already under implementation with support from the project, such as the citizen satisfaction surveying.

Reforms include the development of a complaints unit, establishment of a knowledge management unit, and budgeting training for director generals.

Result 4. Ministry Communication with Key Stakeholders and Citizens Expanded (added, August 2012)

This result is underway. See cross-cutting.

Result 5. Services Improved through Streamlining of Procedures and Service Guides (added, August 2012)

This intervention was added following leadership changes in the ministry. The project started work on car and driver licensing procedures previously, but leadership buy-in was not available to continue the effort. Documenting and streamlining procedures is key to the administrative development of the ministry and will also result in improved service delivery. The project will launch efforts to achieve this objective by first building the capacity of a ministry team that will oversee the activity. By empowering a ministry team rather than implementing the intervention through project staff or short-term technical assistance, the project is ensuring the sustainability of the intervention. After the streamlining work, service guides for citizens will be developed. A total of 74 procedures will be documented and streamlined by the end of the project in March 2013.

Result 6. Customer Satisfaction Measurement System Institutionalized

Ministry teams completed customer satisfaction surveys and institutionalization is underway. See cross-cutting.

4.2 Ministry of Telecommunication and Information Technology

Result 1. Completion of a 3-year Business Plan for Palestine Post and Implementation of High-Priority Recommendations (expanded, May 2012)

The project added this activity after receiving a request from the ministry and discussing its potential impact with USAID. The 3-year business plan builds on previous activities and achievements by the project to modernize Palestine Post. The project completed the development of the plan, and it is currently under review by the ministry. To



develop the plan, extensive business research was conducted to identify recommendations that would lead to a financially sustainable institution through increased sales. A legal analysis was also conducted to ensure the recommendations were legal and feasible. The recommendations, if implemented, would result in a revenue generating institution in 5 years.

Result 2. 12 New Internal Procedures Manuals Completed and Introduced

The project was able to complete a majority of work under this result and is expected to complete the remaining related activities by the end of the project. As with other similar activities around operating procedure manuals, the project built the capacity of a ministry team to conduct a majority of the work and provided coaching and oversight support. The team submitted manuals for seven departments to ministry leadership for approval. An additional five manuals are in final review and will be submitted to ministry leadership for approval in October 2012.

The operating procedure manuals are vital to the administrative development of the ministry. The adoption of the manuals will clarify processes of administrative affairs and ensure follow up; provide staff with a better understanding of their roles and responsibilities; simplify specific services related to the ministry and clarify requirements to citizens or companies; and strengthen the ability of the ministry to train employees. The manuals also establish the groundwork for eventual automation and e-government solutions.

Result 3. Second Cycle of COE Completed and Selected Transformation Initiatives Implemented (expanded, May 2012)

Reforms include establishment of regular ministry meetings, development of a training system, and the publication of a periodic financial report.

Momentum from the first MTIT COE phases allowed for significant progress during this reporting period. The new team of 25 employees underwent extensive capacity building, which was led by former COE participants with guidance and support from the project. The team then completed the self-assessment by surveying employees using questionnaires and conducting interviews. The self-assessment results

were then used to identify and prioritize interventions. Throughout the process, the project provided support and coaching to ensure the process moved forward. A total of 15 reforms were identified for implementation in the coming months and others are underway already.

Result 4. Jenin Post Office Refurbished and Equipped (added, May 2012)

The project aimed to launch renovation of the Jenin post office this quarter, but slight delays resulted from the need to conduct a structural analysis of the facility. The project reviewed the analysis and work will begin in October 2012. The facility is anticipated to reopen to the public in January 2013. The renovations will transform the post office into a modernized facility that will greatly improve customer experience and will allow for expanded partnerships with the private sector.

Result 5. Long-Run Incremental Cost (LRIC) Models for Fixed and Mobile Phone Operators Developed (added, August 2012)

Long-run incremental cost models are vital to the promotion of private sector competition in the telecommunications sector and are used in the European Union and other countries. Cost modeling allows a regulatory authority, the MTIT in this case, the tools needed to balance the interests of companies and consumers. The development of the cost models was requested by the minister and approved by USAID. The project immediately released a request for proposals to solicit the expertise of an international firm and selected a European firm. While identifying a US firm was preferred, the project selected the European firm because their proposal provided the best value to the government, as US firms do not have much experience with the cost modeling since it is not used in the US. Once the nationality waiver is received from USAID, the project will immediately begin implementation of the related activities.

Result 6. Limited Equipment to Improve Service Efficiency Provided (added, August 2012)

The project received approval from PalPost and USAID for a list of equipment that will improve the quality of services provided by multiple post offices and procurement is underway. Equipment includes a limited number of computers to increase counter automation in Qalqilya, Eizariyah, and Salfit Post Offices; bar coding machines; improved signage in Nablus and Bethlehem; a cover for a special needs elevator in the Nablus post office (previously provided through PACE); fiber glass storage boxes for three existing cars; and some other small items.

Result 7. Ministry Communication with Key Stakeholders and Citizens Expanded (added, August 2012)

This result is underway. See cross-cutting.

Result 8. Institutionalization of Customer Satisfaction Measurement System Institutionalized

Ministry teams completed customer satisfaction surveys and institutionalization is underway. See cross-cutting.

4.3 Ministry of Interior, Civil Affairs Directorate

Result 1. New Civil Affairs Office in Nablus Opened with Required IT Equipment and Furniture (expanded, August 2012)

This result compliments a larger European Union effort to renovate a large government complex in Nablus. The project's support focused solely on the civil affairs directorate's citizen service center in the complex and consists of IT equipment and furniture. The project provided the requested equipment as scheduled and GIZ provided rolling cabinets for file archiving (which PACE originally contemplated purchasing). The facility is scheduled to reopen in October 2012, pending completion of the complex and ministry scheduling.

Result 2. Two MOI Civil Affairs Offices Refurbished and Equipped (added, May 2012)

The project targeted the Ramallah and Qalqilyah civil affairs directorate office for renovations and refurbishments during this work plan period. Each facility will undergo extensive renovations that will result in significant improvements in citizen satisfaction as witnessed at sites previously renovated by the project. The project released a request for proposal for the Ramallah facility and is currently reviewing bids from prospective offerors. Renovations will start pending USAID's consent

to subcontract. The project also completed the design of the Qalqilyah office and released a request for proposal. The Ramallah and Qalqilyah facilities are expected to reopen in January and February 2013, respectively.

Result 3. Smaller Civil Affairs Offices Upgraded and other Minor Refurbishments Completed (expanded, May 2012)

This result builds on the success of the project's light renovation and IT support to satellite facilities around Nablus. In Yatta and Dura, the project is provided IT equipment that expanded the types of services provided and also improved the quality of services. The light renovations were completed and the equipment was installed during this reporting period. Opening ceremonies are currently being planned by the ministry.

Result 4. MOI Citizen Feedback and Complaints System Launched

The Civil Affairs directorate now has a fully functioning and responsive Complaints Unit established with support from the project. The unit has already responded to dozens of citizen complaints regarding facility cleanliness, employees, or larger legal matters.

The need for a citizen feedback and complaints system was identified during the first COE cycle. The civil affairs directorate and project both agreed that the best approach was the creation of a unit based in the Ramallah headquarters and the appointment of coordinators in each directorate facility in the West Bank. Once the directorate established the unit and appointed coordinators, the project provided capacity building support, including coaching and operating procedure manual development. The project then helped design and print marketing materials for the unit that were made available at the different facilities and installed glass complaint boxes.

Result 5. Customer Service Improved and Equipment to Speed Printing of Passports Delivered (added, May 2012)

The project and directorate identified the number of passport printers needed to allow for increased printing capacity and improved service delivery at all citizen service centers. The procurement of the printers is currently underway by the project. The printers will be installed by the end of December 2012.

Result 6. Second Cycle of COE Completed and Selected Transformation Initiatives Implemented (expanded, May 2012)

Like other partners, the directorate COE team met a significant milestone with the identification and prioritization of 20 reforms. The project will work with the COE team and leverage ministry reforms to implement the reforms in the next quarter. The reforms are the direct result of the self-assessment process implemented earlier in the year by the team. The project built the capacity of the 25-person

Reforms include promoting ministry website as citizen resource, development of yearly work plan, and capacity building for financial department.

team to conduct the self-assessment through training that relied heavily on directorate employees that participated in COE previously. The project then provided coaching and on-the-job support to the team to analyze the data collected and select reforms that are achievable and relevant.

Result 7. Ministry Communication with Key Stakeholders and Citizens Expanded (added, August 2012)

This result is underway. See cross-cutting.

Result 8. System for Internal Audit, Modifications, and Corrective and Preventive Actions Related to Procedures Institutionalized

Activities underway. See cross-cutting.

Result 9. Customer Satisfaction Measurement System Institutionalized

Ministry teams completed customer satisfaction surveys and institutionalization is underway. See cross-cutting.

4.4 Ministry of Public Works and Housing

Result 1. Job Descriptions for Key Departments Completed and Operating Procedures for Four Departments Streamlined (expanded, May 2012)

A ministry team worked on the development of operating procedure manuals for four departments. The manuals were completed and are currently under review by the deputy minister. The project anticipates full implementation of the manuals in the next quarter. The manuals cover the building, roads, supervision, and tendering/procurement departments and will significantly strengthen the administrative and management capacity of the ministry.

Using skills gained at a project training, ministry employees are currently developing job descriptions for key positions. The project provides on-demand coaching and support to the team and expects the descriptions to be completed next quarter and adopted soon thereafter. The job descriptions are important to increasing employee performance by providing clear roles and responsibilities. Job descriptions also allow for performance reviews, transparent incentive programs, and improved hiring.

Result 2. Second Cycle of COE Completed and Selected Transformation Initiatives Implemented (expanded, May 2012)

Reforms include expansion of road repair units, development of road and building standards, and implementation of risk management system.

The MOPWH COE team completed the self-assessment and identified and prioritized reforms that were then approved by the Minister at an event covered by local press. The team introduced the reforms during a workshop attended by more than 50 employees, including most director generals, and is currently developing implementation plans with support from the project and the previous COE team. Some of the

reforms identified are already underway with support from the project, such as capacity building to the training department. The project anticipates implementation of the 26 reforms in the next quarter.

Result 3. Archiving System and Procurement Capacity Strengthened (added May 2012, modified August 2012)

The project developed a plan to launch a pilot electronic document management system within the ministry that will start within the minister's office and support approval requests. In addition, the project is installing rolling cabinets for the procurement department to assist physical file archiving and management that is vital to ensure efficient audits of government purchases.

The project also started procurement training for the ministry using a local international expert with extensive knowledge of PA rules and regulations. The procurement training is especially important during these difficult financial times for the PA to ensure funds are used properly and efficiently. The training will continue next quarter and end with a training-of-trainers program to ensure sustainability and expansion. The ministry oversees all significant procurements for the PA and also assists in smaller procurements conducted by other ministries.

Result 4. Training Facilities Improved (added, May 2012)

The ministry conducts training for employees that cover a number of topics. To ensure quality training, the project provided material support to the training center that consisted of furniture, computers, and a projector and screen. The facility is now fully operational and in use by the ministry. An official opening ceremony is scheduled for October. The facility will provide cost savings to the PA by allowing for in-house capacity rather than renting the facilities of training halls. This assistance will be followed by capacity building support to training department personnel.

Result 5. Ministry Communication with Key Stakeholders and Citizens Expanded (added, August 2012)

This result is underway. See cross-cutting.

Result 6. Presentation Capabilities and Skills in Branch Offices Strengthened (added, August 2012)

This result was designed to improve communication between branch offices and the headquarters based in Ramallah. The intervention was designed and trainer and trainees selected. The training is currently scheduled to start on October 21, 2012. Limited equipment for presentations will be delivered in October and November, 2012 to also support this result.

Result 7. System for Internal Audit, Modifications, and Corrective and Preventive Actions Related to Procedures Institutionalized

The project aims to institutionalize a system to ensure procedures are followed and continuously improved. This will ensure operating procedure manuals remain relevant and in use even after the project ends. This result will be achieved once the four manuals at the ministry are adopted.

Result 8. Customer Satisfaction Measurement System Institutionalized

This result was identified by the COE team. The ministry participated in training provided by the project for this result, but did not conduct the surveying this year. With internal capacity now available, the ministry can implement this independently.

4.5 Ministry of Finance

Result 1. Second Cycle of COE Completed and Selected Transformation Initiatives Implemented (expanded, May 2012)

The MOF COE team excelled and identified and prioritized 16 reforms for implementation. Capacity building for the team was provided by the project and previous COE members, allowing for the leveraging of internal resources. The COE team is currently developing action plans for each reform, which will be implemented next quarter. This occurred while the project and ministry implemented reforms previously identified. The project will continue to provide coaching and support to the team as needed.

Reforms include capacity building for training department, improvements to orientation program for new employees, and use of email for communication.

Result 2. Two New Internal Procedures Manuals Completed and Introduced

The project assisted in the development of manuals for the public supply and administrative and finance departments. The public supply manual is currently under review by the project, while the administrative manual was completed and is currently in use by ministry employees. The completed manual includes 24 procedures. Once completed and adopted, the public supply manual will greatly improve small purchases across the PA that occur from the public supply department. The project expects this second manual to be approved by ministry leadership next quarter.

Result 3. Bethlehem Property Tax Office Refurbished and Equipped (added, May 2012)

The project targeted the Bethlehem Property Tax office this year for renovation and refurbishment. A renovation request for proposal will be released in October 2012 and the project is currently reviewing bids from offerors. The intervention will follow work completed at other tax offices across the West Bank. The office is slated to reopen to the public in January or February 2013.

Result 4. Improve Safety and Other Infrastructure at New Property Tax Office in Ramallah (added, August 2012)

This intervention was completed and the facility is currently serving citizens of Ramallah. The projects assistance included a security system, fire alarm, signage, and some light renovation work. This result as necessary to facilitate renovation of the new Ramallah licensing bureau, which previously housed the property tax department office.

Result 5. System for Internal Audit, Modifications, and Corrective and Preventive Actions Related to Procedures Institutionalized

This intervention is meant to compliment operating procedure manual development and ensure continued improvement and streamlining after the project ends. The project conducted a workshop for the ministry to discuss these important concepts and develop ideas to ensure the sustainability

and relevance of the manuals. The team is currently developing a plan to establish a monitoring and reviewing team.

Result 6. Institutionalization of Customer Satisfaction Measurement System

Ministry teams completed customer satisfaction surveys and institutionalization is underway. See cross-cutting.

4.6 General Personnel Council

Result 1. New Human Resources Policies and Procedures Adapted and Adopted by the GPC on a National Scale (added, May 2012)

This project is currently implementing activities to achieve improved human resource management across the PA by working with GPC. Improved forecasting, relevant and transparent incentive systems, and standard orientation and training programs will greatly improve the productivity of civil servants. These activities were identified during the COE process by all partner ministries. The project is expected to complete these activities in the next quarter.

Result 2. First Cycle of COE Completed

Reforms include development of a training plan, preparation of a risk management strategy, and creation of an M&E system.

COE was launched within the GPC this year and significant progress was achieved. The COE team underwent extensive training provided by the project and then conducted their first self-assessment. The results of the self-assessment were used to identify and prioritize reforms that will be implemented in the next quarter. Fifteen reforms were identified this year. The GPC has proven to be an enthusiastic partner and

the project is confident in the successful adoption of COE as an institutional development tool by the council.

Result 3. Procedures for Six GBC Directorates Documented and Streamlined (added, May 2012)

The project is working with an internal GPC team to document procedures for six directorates. The project provided training and is now offering ongoing coaching and support as the team finalizes the procedures. The project expects procedures to be completed by next quarter. Once developed, the project will work with the council to rollout the new procedures.

Result 4. GPC Communication with Key Stakeholders and Citizens Expanded (added, August 2012)

This result is underway. See cross-cutting.

4.7 Higher Judicial Council

Result 1. Ramallah Conciliation Court Refurbished and Equipped (added, May 2012)

The project released a renovation request for proposal for this facility in coordination with USAID's Palestinian Justice Enhancement Program (PJEP), which is procuring furniture, IT equipment, and air conditioning units. The project will request consent to subcontract from USAID in October 2012 and

renovation work will start in November 2012. The project anticipates a reopening of the facility in February 2013.

4.8 Ministry of Higher Education

At the request of USAID and in discussions with the USAID-funded Palestinian Faculty Development Program (PFDP), PACE will engage the Ministry of Higher Education (MOHE) in the first two quarters of FY2013. This assistance is designed to help launch the new ministry through strategic planning and improved governance of accreditation, as well as to improve ministry services and capacity through limited procurement and refurbishment. All activities were discussed, designed, and proposed to USAID, and will launch during October 2012.

5.0 Medium-term Capacity Building: Centers of Excellence

Result 1. Strategic Plan for the NSC Developed and Implemented Bylaws Passed by the Council of Ministers

The National Steering Committee (NSC) is a newly formed intra-PA mechanism tasked with promoting COE as a tool for change management. The NSC is also responsible for providing support to COE teams. The NSC developed a strategic plan with support from the project that aims to involve all PA institutions in COE. The strategic plan opens with an endorsement from the Prime Minister, introduces the COE framework and provides a brief history, then details strategic objectives.

The strategic objectives of the NSC are expand the culture of excellence through all PA institutions, contribute to enhancing public sector institutions, and assess progress of the COE program and contribute to its development.

The plan includes a vision to achieve excellence in service delivery, effective governance, and sustained institution building. The mission of the committee is to achieve good governance at the same level as advanced countries. The strategic objectives aim to achieve the mission and vision and include activities and milestones. The project will assist the NSC implement a number of activities when possible.

Result 2. Communication with Citizens and Stakeholders about Excellence Expanded (expanded May and August 2012)

As one of the initiatives in the strategic plan, the NSC is developing a website with content on the COE program, both as a whole and by individual ministries. MTIT is providing technical expertise for the initiative, and NSC members are providing editorial control. PACE is providing some of the content, with most of the remaining content coming from NSC members and ministry COE teams. The website is scheduled for launch in first quarter FY2013.

Due to scheduling and other issues, the expected national conference for the COE program was postponed. PACE is currently discussing alternative dates and plans for the conference with NSC members and USAID.

Result 3. Training and Other Skills of COE Resource Team Members Strengthened

PACE provided a training-of-trainers (TOT) to members of the inter-ministerial resource team for the COE program, in partnership with the NSC. The program built the presentation skills of resource team members, allowing them to better support the sustainability of the COE program. In parallel, the NSC is developing a more extensive implementation plan for training. Time and resources permitting, PACE may support additional capacity building for the resource team before the end of the project.

Result 4. Study Tour to Learn about Sustained Excellence Programs and Awards Programs Conducted (added August 2012)

The project is currently discussing the strategy for this activity with USAID.

6.0 Cross-cutting Results Area

Result 1. System for Internal Audit, Modifications, and Corrective and Preventive Actions Related to Procedures Developed and Institutionalized

The project conducted a workshop under this result for partner ministries that identified next steps. Activities moved forward at different paces in each participating ministry with coaching from the project. The project will continue to work with teams to institutionalize continuous improvement and enforcement of operating procedure manuals in the remaining life of the project. This cross-cutting result is key to the sustainability of the manuals and will ensure they remain relevant to the ministries and are updated accordingly. The result is possible due to the project's extensive investment in building partner capacity to engage in process engineering and re-engineering.

Result 2. Customer Satisfaction Measurement Systems Institutionalized

This intervention was identified by the previous COE teams as a means to collecting important information for ministry strategic planning. The project provided M&E capacity building that included SPSS training and coaching and on-the-job training as teams from four ministries conducted their surveys of citizens. The teams completed collecting, inputting, and analyzing data during this reporting period and the data was used by the project to report on the customer satisfaction PMP indicator.

By building survey skills of employees, ministry are now able to continue these efforts in the future with no or minimal outside support, and the results can be used to guide service improvement in the future. Expanding on PACE's original customer satisfaction surveys, ministry teams are collecting data from all offices, rather than just targeted offices, providing a much more extensive look at citizen experiences and impressions of government services. Initial results of the customer satisfaction surveys can be found in the performance monitoring annex of this report.

The project will continue to provide support to ministry teams to ensure the measurement system is institutionalized and sustainable.

Result 3. Ministry Communication with Key Stakeholders and Citizens Expanded (added, August 2012)

This intervention was added following a request from ministries and with the approval of USAID towards the end of this reporting period. The activity will result in the development of a short video that will be aired at ministry facilities. The video will detail the ministry's mission, vision, and achievements improving citizen services. The video will also highlight USAID's support to the ministry. PACE will also produce a video on the project's overall achievements across all ministries.

To date, a request for proposals was drafted and is currently under review. The project anticipates completion of this intervention in the coming months by local experts.

7.0 Integrating Gender Across Project Components

Result 1. Assessment and Recommendations on Gender Equality in the Provision of Key Services Completed (added May 2012, modified August 2012)

The project released a request for proposals to identify a local organization to implement the activities to support this result. The project will select an organization in October 2012 and implementation will immediately begin after vetting is received from USAID.

Result 2. Gender Assessment and Mainstreaming Plan Developed in One to Two Pilot Ministries (added May 2012, modified August 2012)

The project released a request for proposals to identify a local organization to implement the activities to support this result. The project will select an organization in October 2012 and implementation will immediately begin after vetting is received from USAID.

Annex I: Performance Management Plan Update 2012

The project implemented an updated performance management plan (PMP) for the fourth year of the project. The PMP was updated following the extension of the project with additional targets and revised indicators where appropriate. Project technical staff served as the primary collectors of data this year with quality control, coordination, and overall oversight conducted by the project M&E specialist with support from the chief of party. The revised PMP was submitted on September 2012. The actuals for each indicator are as of September 30th, 2012.

The M&E specialist maintains all backup documents for each indicator. The specialist also uploads the figures into USAID's Geographic Management Information System (Geo-MIS) for reporting purposes. The M&E specialist, with support from the chief of party, also conducted the analysis of the data, which will be used to inform project interventions moving forward.

Annual Performance Summary

Project Goal: A more professional and competent public administration with targeted PA ministries and institutions that provides more effective, efficient, and responsive services to the Palestinian people

Indicator 1: % change in customers satisfaction with the service delivery provided in targeted ministries and institutions

Target Value: 20%

Actual Value: 21.4%

This indicator is measured once a year. The project collected the data for this indicator using ministry teams as part of the shared customer satisfaction measurement result. The indicator is based on an aggregate of responses to a series of questions on the customer experience and impressions of targeted citizen service offices. Questions cover a range of areas, such as:

- quality of service
- employee attitudes
- facility cleanliness
- service delivery timeliness
- employee knowledge and helpfulness

Results for individual questions and offices are then converted in an index value from 1 to 100, and averaged across all questions, then across the ministry. Finally, results are averaged across all ministries and compared to the 2009 baseline value, yielding the percent change. Results are weighted to account for differences in the number of individuals surveyed by office and by ministry.

As noted in cross-cutting Result 2, PACE trained ministry teams to conduct data gathering themselves in FY2012, instead of relying on external subcontractors or grantees as in previous years. A PACE short-term survey expert provided coaching throughout the survey process, including assistance with data analysis and results verification.

Broken out by institution, the FY2012 results showed the following change over baseline values in 2009:

Institution	% change from 2009 baseline
Ministry of Interior	+18.8%
Ministry of Finance	-2.1%
Ministry of Transportation	+40.0%
Ministry of Telecommunication and Information Technology	+30.4%
Weighted Average Across All Ministries	+21.4

The ministries of Transportation and Telecommunication and Information Technology posted the largest gains in terms of customer satisfaction. The MOI also posted a modest gain. As would be expected following office refurbishment, satisfaction with office cleanliness rose significantly for all three ministries, but ratings for other areas like efforts to improve and simplify services, availability of informational materials and signs, and other related areas also posted substantial gains. The MOF property tax offices were the lone locations where customer satisfaction declined slightly. While citizens rated higher the availability of written guidelines on how to complete work (some of which were prepared with PACE assistance), they provided more negative impressions of the cost of completing transactions, information on center locations, and, to a lesser extent, areas related to employee knowledge and skills (although ratings for these areas were already fairly high in the baseline survey). In discussions with PACE team members at one location, citizens provided overall negative impressions because of the substantial increase in fees for services, income taxes, and re-assessments that had caused a major increase in some citizens' property tax rates in the past year. With the MOF, PACE will be conducting focus groups in the coming month at all partners to better understand the results.

The project targeted these areas through an integrated approach that used training, business process re-engineering, IT solutions, and facility renovations. Some reforms that arrived from COE, such as the development of the complaints unit at the civil affairs directorate, also impacted this indicator.

Project Goal: Improved delivery of key services by targeted PA ministries and institutions that result in immediate tangible benefits to citizens

Indicator 2: % change in average customer time spent to receive services in the targeted institutions and ministries

Target Value: -5%

Actual Value: +6%

This indicator is measured annually through exit interviews of citizens at targeted locations. The project impacts this indicator through business process re-engineering, IT solutions, renovations, and training. Like indicator 1, the project used ministry teams to collect the data for this indicator this year with coaching and support from the project.

The actual value for FY2012 rose by 6 percent, rather than dropping as was hoped. As discussed with USAID previously and note in the project's revised PMP, the indicator does not account for increased load and number of transactions at the offices surveyed. As seen in Indicator 3, average daily transaction volume increased 60 percent at targeted offices from 2009 to 2012. Therefore, the increased time must be seen in the light of substantially increased transaction volume, a volume that, for the most part, is being handled by a similar number of employees. For example, at MOF, the average number of transactions per day increased approximately 98 percent between 2009 and 2012. At MOT, the increase was even more substantial, at 249 percent, making the reduced transaction time even more impressive. Increased transaction time in the MTIT/Post Office baseline is most likely the result of very low numbers of customer transactions during the baseline period, a period when the post office was not offering many services and lacked credibility it later gained with PACE assistance.

Institution	Average minutes 2009	Average minutes 2012	% change
Ministry of Interior	16.04	15	-6.48%
Ministry of Finance	31	52.3	+68.7%
Ministry of Transportation	48.2	24.1	-50.0%
Ministry of Telecommunication and Information Technology	3.5	13.1	+274.3%
Total Average Minutes	24.7	26.1	+6%

Indicator 3: % change in the # of successful transactions completed per day

Target Value: +60%

Actual Value: +60%

The data for this indicator is based off of reports provided to the project by partner ministries at targeted institutions against a baseline developed during the beginning of the project. The ministries compile monthly reports from field offices across the West Bank to develop the figures. The project M&E specialist then reviews the reports for quality control, requests clarifications if needed, and then records the figure into our M&E system.

Indicator 4: % of KMs of roads receiving improvements from work of road repair units in the targeted areas

Target Value: 40%

Actual Value: 45.6%

The road repair units are responsible for roads that connect cities and villages. According to the ministry, about 490 kilometers of road were in need of light repairs at the beginning of the project. The value for this indicator refers to the percentage of those roads and is cumulative over the life of project. The project monitors this indicator using reports and information provided by the ministry

through the road repair units. While project support to the units ended last year, USAID's infrastructure needs project supported the units this year.

Project Goal: Infrastructure improvements completed to meet citizens needs at targeted PA ministries

Indicator 5: # of locations renovated and/or refurbished where citizen services are provided

Target Value: 11

Actual Value: 4

This indicator monitors the project's infrastructure work that improves the quality of services provided at citizen service centers for different partner ministries. This year, the project completed renovations and/or refurbishments at 4 sites, and has launched work to refurbish and/or renovate an additional 14 sites by the end of the project, including six more major refurbishments of citizen service centers.

Because of the late receipt of obligated funds, PACE was forced to start most of its refurbishment and renovation efforts late in the year, in June and July. At that point, it engaged engineering teams to develop designs and bills of quantity (BOQ), and then started the process of releasing requests for proposals (RFPs) and awarding contracts. All projects are now in development and/or implementation, and will be completed before PACE ends in March 2013, exceeding the target value.

Indicator 6: # of locations with new or upgraded IT or operating equipment to deliver services

Targeted Value: 4

Actual Value: 4

While indicator 5 counts renovations and refurbishments, number 6 focuses strictly on IT upgrades. This indicator includes facilities that were renovated and received IT upgrades, as well as facilities that just received IT equipment. IT equipment is used by the project to improve the quality of services delivered at different facilities and improve file management. The project targets facilities with IT upgrades strategically based on the potential for impact, but also coordinates with project stakeholders and USAID. As with office refurbishment, many of the expected IT upgrades were delayed pending receipt of obligated funds, and the project expects to exceed the target by the end of the work plan.

Project Goal: Processes and procedural improvements result in better service delivery

Indicator 7: # of procedures with written standard operating and/or work instructions

Target Value: 63

Actual Value: 52

The project invests considerable resources into developing operating procedure manuals for different departments within the targeted ministries. The time intensive process is conducted using internal ministry teams that are provided with initial training then ongoing coaching and support. Documenting procedures and implementing operating manuals is key to the administrative development of the ministries and also improves services delivered. The creation of manuals also allows for future IT and e-government solutions. The value for this indicator refers to each

procedure documented with support from the project. The project is currently supporting the documentation of an additional 22 procedures, exceeding the project's target.

Indicator 8: # of services improved through business process re-engineering

Target Value: 5

Actual Value: 4

Indicator 8 takes counting documented procedures to the next level by identifying those that are streamlined with support from the project and result in improved services. The project is currently working on one additional service and anticipates reaching the target by project end.

Project Goal: Enhanced and Sustainable Institutional Capacity of PA Ministries and Institutions

Indicator 9: # of units/departments in ministries and executive offices with institutionalized self-assessment process

Target Value: 45

Actual Value: 45

This target was set based on the anticipation of engaging the GPC in the COE process. The GPC successfully engaged in the program and reached significant milestones as described in the annual report. The GPC is made of 45 departments and each department was assessed during the COE process.

Indicator 10: # of executive office operations supported with USG assistance

Target Value: 10

Actual Value: 26

The project exceeded this target because of the increase in activities planned this year with USAID's approval. Twenty-six PA facilities were targeted with different levels of support this year and the project anticipates more in the remaining months. The assistance often results in increases in citizen satisfaction with services received and improved administrative and management systems.

Indicator 11: # of reform initiatives attempted by ministry COE teams

Target Value: 30

Actual Value: 17

While the project implements activities that support a number of reform initiatives, this indicator measures those identified and attempted by COE teams. Reforms attempted by the COE teams were delayed pending receipt of obligated funds, and the project expects to exceed the target by the end of the work plan. The 17 reforms attempted during this reporting period were carried over from previous COE teams.

Project Goal: Increased PA knowledge and skills for performing core government functions

Indicator 12: # of executive branch personnel trained with USG assistance

Target Value: 170

Actual Value: 309

This indicator measures the number of unique executive branch employees trained by the project. The project significantly exceeded the forecast due to the increase in approved activities. Additional training included procurement strengthening for the MOPWH and SPSS. The project also saw larger than expected COE teams formed by the partners.

Indicator 13: # of training days provided to executive branch personnel with USG assistance (new in FY 2012)

Target Value: 100

Actual Value: 58

The project missed the target of training days during this reporting period, but expects to reach the target by the end of the work plan through training days that will support project goals and COE reforms. The project anticipates exceeding the target even though training days related to COE were reduced due to streamlining and consolidation and a move to on-the-job support and technical assistance, rather than former training.

Indicator 14: # of Ministry of Interior staff trained

Target Value: 25

Actual Value: 52

The project exceeded this target due to a larger than anticipated COE team and the completion of the SPSS training.

Indicator 15: # of Ministry of Finance staff trained

Target Value: 25

Actual Value: 31

The project exceeded this target due to a larger than anticipated COE team.

Indicator 16: # of Ministry of Transportation staff trained

Target Value: 80

Actual Value: 87

The project exceeded this target due to a larger than anticipated COE team.

Indicator 17: # of Ministry of Public Works and Housing staff trained

Target Value: 25

Actual Value: 77

The project exceeded this target due to a larger than anticipated COE team and the additional procurement training.

Indicator 18: # of Ministry of Telecommunication and Information Technology staff trained

Target Value: 25

Actual Value: 34

The project exceeded this target due to a larger than anticipated COE team.

Indicator 19: # of General Personnel Council staff trained

Target Value: 25

Actual Value: 28

The project exceeded this target due to a larger than anticipated COE team.

Indicator 20: % of people receiving training who utilize new knowledge and skills

Target Value: 65%

Actual Value: 68%

This indicator is measured by conducting post-training surveys of project-trained employees. The project set a high target that was exceeded due to the use of ongoing and as-needed coaching and support that increases the success of training. Furthermore, training topics are identified by the project partners through the self-assessment process, which creates increased buy-in and ensures the relevance of the training.

Project Goal: Increased responsiveness of targeted PA ministries and institutions to the needs of citizens

Indicator 21: # of citizens engaged in communication with ministries via targeted mechanisms

Target Value: n/a

Actual Value: n/a

This indicator is no longer measured and was linked to the now ended grants program.

Indicator 22: % change in citizen feedback acted upon and communicated by targeted ministries

Target Value: n/a

Actual Value: n/a

This indicator is no longer measured and was linked to the now ended grants program.

Project Goal: Enhanced communications capacity of targeted ministries

Indicator 23: Score on strategic communications audit

Target Value: N/A

Actual Value: N/A

PACE completed the communications audit in October 2011, demonstrating substantial gains in improved communications capacity at all five partner institutions. As the project was not engaged in major communications capacity building this year and the cost of the audit is high, USAID decided that PACE would not report on this indicator during FY2012. PACE continues to monitor and support communications efforts at ministry partners, efforts that are ongoing and substantial.

Project Goal: Increased collaboration between CSOs and targeted PA ministries to identify and deliver improvements in citizen services

Indicator 24: # of issues raised with public institutions via targeted mechanism by CSOs

Target Value: n/a

Actual Value: n/a

This indicator is no longer measured and was linked to the now ended grants program.

Indicator 25: # of communication campaigns and events supported by CSOs to increase awareness and dialog about government services

Target Value: n/a

Actual Value: n/a

This indicator is no longer measured and was linked to the now ended grants program.

Annex II: Accruals Report, July 1 through September 30, 2012

A. Total amount of USAID funds obligated to date

\$28,849,000

B. Total actual expenditures invoiced to date

The Palestinian Authority Capacity Enhancement project has submitted invoices to USAID totaling \$23,040,477 through August 2012.

C. Actual and accrued expenditures per month and in total for the current reporting quarter

July 12 Invoiced	August 12 Invoiced	September 12 Projected	Total
\$479,345	\$505,887	\$450,407	\$1,435,640

D. Estimated balance of unexpended funds as of the end of the current reporting quarter

We anticipate that approximately \$5,358,115 of the obligated funds will remain after the September 2012 invoice is submitted.

E. Projected quarterly expenditures for the next two quarters

October 12	November 12	December 12	Quarter Total
\$640,850	\$972,703	\$1,199,915	\$2,813,468

January 12	February 12	March 12	Quarter Total
\$1,111,502	\$719,571	\$713,574	\$2,544,647